GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:931
ANSWERED ON:23.11.2001
UNDER UTILISATION OF NOIDA MINT
P. RAJENDRAN

Will the Minister of FINANCE be pleased to state:

(a) whether the Government Mint at Noida, which became operational in 1988, has failed to establish blanking line resulting in its underutilisation;

(b) if so, whether import of ready made coin blanks not only resulted in foreign exchange loss but also in claiming liquidated charges;

(c) if so, the details thereof, and

(d) the reaction of the Government thereon?

Answer

MNISTER OF STATE IN MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) The India Government Mint (IGM) at Noida was set up in 1988 with the objective to have only coining facilities in the first phase. After setting up of IGM, Noida, the Cabinet approved modernisation plan for the other three IGMs at Mumbai, Kolkata and Hyderabad,which envisaged that these three IGMs will also meet the requirement of coin blanks of IGM, NoidaAccordingly, the IGM, Noida was not provided with any blanking line. Whether, since IGM, Noida does not have blanking facilities, the question of its underutilisation does not arise.

(b,(c)&(d) There has been a steep increase in the demand for coins during the recent years causing a wide gap between the demand for coin blanks and the capacity of the IGMs and other domestic manufacturers to supply. This has led the Government to resort to import of coin blanks to bridge the gap between demand and supply. This, however, cannot be construed as a loss of foreign change since the foreign exchange is used for the import of coin blanks to enable the Government to discharge its sovereign function. Further, the clause of liquidated damages is incorporated in the contracts to bind the foreign suppliers to strictly adhere to the specified time frame.